

**Access to Microfinance & Improved Implementation of Policy Reform  
(AMIR Program)**

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***Customs Transit Assessment***

Final Report

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## EXECUTIVE SUMMARY

The objective of this Scope of Work was to perform an assessment of the Transit process in place at Customs facilities throughout Jordan. Customs does not currently have an effective automated system to record transit details, control transit guarantees and determine when shipments are exported. The Customs department has requested AMIR Program assistance to purchase automation equipment, work-stations and other equipment needed to implement an electronic data system for transit processing.

While Customs is rapidly moving ahead to promote full automation throughout the service and major pieces of infrastructure are established and in place, the transit program has not received top priority in these plans. The key element of automation within the Customs service is the VSAT communications network. When completed, it will link twenty-five Customs sites together. The video monitoring system is nearly complete and operational at most locations. The video system allows managers to view Customs officers, processing passengers and inspecting cargo. It has helped managers to focus resources on enforcement concerns regarding smuggling, officer conduct, and the theft of cargo. When fully implemented VSAT will provide telephone, data, and video (camera) lines to all locations.

ASYCUDA (automated declaration system) provides for electronic declaration filing with broker/ clearing agent data input. A risk based selectivity system is used to determine which shipments to examine and is linked to a computer guarantee system. ASYCUDA is currently on line at four locations; Amman Center, Queen Alia Airport, Aqaba and ASEZA free zone. A fifth location, ZARKA free zone will be activated during the month of July 2001.

The ASYCUDA department has a newly developed transit module that was recently obtained from UNCTAD, and is being pilot tested in Customs Headquarters. The pilot system is operational in the ASYCUDA office and the features and screens are operational and available to view. Mr. Mahmoud Wafa, Director of ASYCUDA, explained that the transit module could be implemented in two ways. First, as an integrated module interfaced with the ASYCUDA declaration application. Second, as a stand-alone program for use at ports without ASYCUDA. The integrated transit application obtains most data elements directly from the main ASYCUDA declaration program. The standalone program requires transit data to be input, by Customs employees, at the port of arrival. If the transit module is implemented in conjunction with the ASYCUDA broker interface, the majority of data elements are automatically taken from the declaration program. Under this application data input, by Customs employees, is reduced to five data fields. At remote locations without ASYCUDA, the standalone ASYCUDA Transit module can be installed on PC terminals within the port and employees will input data elements for transmission via VSAT to the destination port. It is also possible to eliminate the standalone "manifest" program that captures most of the same data elements needed for the ASYCUDA Transit module. Due to the fact, the ASYCUDA Transit module is used in a number of countries, it appears that selectivity or a risk-based feature will be added to the program in the near future.

At the beginning of this assessment, a second option was explored using a stand-alone combination Manifest /Transit computer program. This computer program could be developed in house, and interfaced at all Customs centers using VSAT as the communication link. However, this option was abandoned and is not recommended because a new Transit Module has been added to ASYCUDA. The use of the ASYCUDA transit module is a better approach because it consolidates cargo release and transit under a single umbrella.

The national guarantee system that is maintained on-line and is used to debit and credit broker accounts, should be modified by regulation to allow immediate release of the guarantee upon arrival at the export gate. The immediate release of the guarantee would be a major benefit to the broker/-clearing agent. This feature should be added to any automated transit program that is implemented.

Selectivity, and risk analysis should be implemented at each port to identify low risk shipments, which could be released without police escort. High-risk cargo shipments could also be identified and examined at both the port of origin, and port of export for enforcement purposes.

A national program should be developed to expedite vehicles that comply with international sealing requirements, (TIR.) It is unclear if TIR shipments receive expedited treatment as provided by TIR guidelines and international agreement. However, a review of the TIR handbook indicates that Jordan processes a small number of TIR shipments (2000 in 1998 and 700 in 1999.) Other countries near the Middle East process large numbers of TIR shipments. For example, Turkey processes over 300,000 TIR shipments per year.

Any automated transit program that is implemented will improve the transit program by providing a much needed enforcement tool, capturing statistics and providing management with a platform to streamline and modernize truck transit movements.

It is recommended, for these reasons, USAID/AMIR fund the formal request from the Director General, Customs Department, to purchase data processing equipment needed to implement a computerized transit system.

A formal Memorandum of Understanding between AMIR and the Customs Department of Jordan will be developed to define the responsibilities for both agencies to follow for the successful completion of the project.

The following general time line is suggested for implementation of the automated Transit Module:

Phase	Task	Responsible Party	Target Date
1	Review current transit procedures. Provide technical assistance and recommendations to implement an automated Transit program	AMIR/David Burrell Consultant	June 2001
	Define hardware, software and communication requirements	Customs and AMIR IT and computer departments	June 2001
	Draft Memorandum of Understanding between USAID/AMIR and Customs Department of Jordan	Customs and AMIR	July 2001
	Procurement process for equipment, hardware, and software	AMIR	July 2001
2	Installation of Computers, and software per MOU	Customs with AMIR support	August to November 2001
	Training of Customs employees at each activated location	Customs	October to December 2001

3	Review /revise regulations and internal procedures to streamline transit control	Customs with AMIR technical support	Beginning upon installation and implementation of ASYCUDA Transit Module
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## 1.0 BACKGROUND

According to the Jordanian Customs department transit shipments have been steadily increasing in numbers during the last few years. In 1997 Customs processed 102,417 transit shipments in 9 Customs Centers. In 1999, during the period January to December, the number of shipments increased to 129,858, and during the same time period in 2000, Customs processed 142,549 transit shipments using 14 Customs Centers. The majorities of transit shipments move by truck and are either destined to the free trade zones, Aqaba seaport, or border locations. Customs managers are aware of the increased transit workload and the problems associated with transit movements. They also feel that smuggling is wide spread using the transit process. Several transit studies have been conducted during the past three years and all studies have indicated a multitude of problems with the transit program.

The escort system is not effective due to a shortage of police vehicles to fully supervise the transit convoy from point of arrival to point of departure. Although truck drivers surrender their passport to the police escort, vehicles can leave the convoy and offload smuggled goods prior to arrival at the exit point. The Penalties for failing to arrive timely at the exit port are extremely small (5JD for each week.) and does not act as a deterrent to untimely arrival at the port of export.

Many vehicles do not comply with the sealing requirements provided in Instruction No. (8) of Customs Law 20 Article 4/7, and the penalty for the breaking of seals is also a small amount (25JD.) In many cases vehicles enter the country in such a poor condition that it is not even possible to apply effective seals. Many tarpaulins are torn or do not cover the load properly or are just in bad condition. The problem is common, and officers are reluctant to refuse transit.

A review of field locations indicates that the processing of transit shipments is both cumbersome and time-consuming. Although two data bases are used to record transit details, the “manifest” system used to record declaration information was programmed in a older versions of Oracle and cannot be interfaced with the new systems programmed in later versions of Oracle. Paper documents are still required and the manifest system duplicates the hard copy data that is required at all phases of the clearance process. The clearance process requires seven stops at various offices and stations before the truck is released. Even after release, the truck is routed to a compound to wait for Police escort.

Examinations at both the port of entry, and port of departure are not performed as an internal check for cargo integrity or package count. A systematic risk analysis has not been developed for transit shipments, which would establish high and low risk movements. Communication between the entry and departure port is difficult due to the fact that an automated transit system has not been implemented, and the only communication between ports is via telephone or fax, using the VSAT link. During the past few years Customs managers or outside reviews have pointed out many problems with the Transit Program in Jordan. The time is ripe, for Customs, to develop an automated system utilizing VSAT as the data and communication link. In addition an efficiently designed transit computer program could be easily implemented which will reduce redundancy and eliminate the number of stops required to clear a transit shipment.

## 2.0 REVIEW OF AUTOMATED SYSTEMS

## 2.1 VSAT Communication Infrastructure

Jordanian Customs presently has a state of the art Satellite system (VSAT) and when fully implemented, will link twenty-five customs sites to each other via satellite. The satellite links include a data transmission channel, three voice lines and a video channel that provides real-time monitoring of customs activities at remote sites. The video system is controlled from a central console in the Amman Customs building. Enforcement personnel on three shifts covering a 24-hour period, staff the console. The fact that the video monitoring system operates in real-time has enabled Customs management to view the work of Customs officers, processing passengers, cargo, and has helped managers to focus on enforcement concerns, including smuggling and theft of goods. The video system is monitored 24 hours a day and provides valuable information concerning activities that occur after hours or in areas that are beyond the normal view of customs officers. The installation of VSAT has increased Customs revenues at some Customs Offices from 30% to 40% and decreased smuggling cases. The new automated complaint system along with the video system have gone a long way to elevate Professionalism among the rank and file Customs officer.

The data channel is presently being used at several locations for ASYCUDA and several other stand alone data applications such as manifest, guarantees, drawback, temporary admission, penalties, and accounting system. The data channel presently has a bandwidth that allows transmissions of up to 64kb of data per second. As stand-alone applications have been added to the data line the speed and efficiency of the link has experienced some degradation in processing speed. However, the Director of Communication, feels that the present data channel could accommodate a transit module that would only be required to move small amounts of data.

During the period of June 13 through 20, 2001, the Director of Communication conducted a test that increased the VSAT bandwidth to 264 KB. The results of the test indicated that data file transfer was much faster. However, some applications programmed in Oracle did not increase in speed. This was attributed to the programming of the software application, and not to the communication link.

## 2.2 National ASYCUDA Project

ASYCUDA is a computerized customs management system, covering most foreign trade procedures. The system takes into account the international codes and standards developed by ISO (International Organization for Standardization, WCO (World Customs Organization) and the United Nations. The system provides for electronic data interchange (EDI) between brokers and Customs using EDIFACT (Electronic Data Interchange for Administration, Commerce and Transport) rules. Presently the system is activated in four locations (Amman Center, Queen Alia Airport, Aqaba seaport, and ASEZA free Zone) with a fifth location at ZARKA coming on line by mid July 2001. Once this fifth location is activated over 80% of all commercial import declarations entering Jordan will be automated.

## 2.3 ASYCUDA Risk Management

As part of the overall E-Commerce and E-Customs Initiatives, Amman Customs has established a new branch with a Director responsible for Risk Management. This branch manages the ASYCUDA system, by developing criteria to identify high and low risk cargo. In addition, they conduct post audits and importer reviews. They also track inspection results, capture statistics, and establish measurements. This new

branch has allowed Customs to develop a strong enforcement posture, while facilitating low risk cargo shipments, all within the automated environment.

A large portion of cargo entering Jordan is moving in transit and is not presently controlled through ASYCUDA or any centralized automated system. Transit details, guarantees and other data must be obtained from written documents or written logs. Communication is via telephone or fax. The Risk Management Branch does not provide any guidance or input into this large segment of cargo that passes through Jordan. A computerized system needs to be implemented within the Transit program. Risk Management needs to be expanded to transit cargo, which would identify and expedite low risk cargo and target high-risk cargo shipments. It is widely held by customs managers that the weak controls applied to transit cargo result in cargo smuggling and revenue loss.

## 2.4 ASYCUDA Transit Module

The ASYCUDA department, recently (June 2001) obtained an Automated Transit Software Module, developed by UNCTAD during 2000. The Transit Module has been installed and is operational in the ASYCUDA office in Amman. The features and screens were available for our review as well as the printed operational manual. It was explained that the transit module can be implemented in two ways; First, as an integrated module interfaced with the main ASYCUDA declaration program; Second, as a standalone program for use at ports without ASYCUDA. The integrated transit application obtains most data elements directly from the main ASYCUDA declaration program. The standalone Transit Module will require transit data to be input, by Customs employees, at the port of arrival. In both applications, arrival data at the exit port is input into the system by Customs employees. If the transit module is implemented in conjunction with the ASYCUDA broker interface, the majority of data elements are automatically taken from the declaration program. Under this application, data input by Customs employees is reduced to five data fields. At remote locations without ASYCUDA, the standalone ASYCUDA Transit module can be installed on PC terminals within the port and employees will input data elements for transmission via VSAT, to the destination port. Approximately 10 data fields are required to be input by employees at locations that do not have the ASYCUDA declaration module. The new ASYCUDA Transit module has been adopted in a number of countries and it appears that the system will be upgraded to add features such as selectivity using risk-based criteria. It is also anticipated that other refinements will be added to the system, as the program in Amman is revision number two.

The description of the Transit Module developed by UNCTAD in 2000, along with the operations manual, is attached as reference ANNEX H to this assessment.

## 2.5 Stand-alone Data Base Systems

In order to implement automation within Jordanian Customs, the computer department in Amman, was tasked to develop in-house software applications. The following applications have been developed and are operational or scheduled to be implemented in the future in Customs Centers:

- Manifest (stand-alone declaration program)
- Temporary Admission
- Accounting
- Penalties
- Guarantees

The new Guarantee system has been on line at several ports in Jordan for nine months. The system, when activated at all ports, (expected to be completed during 2001) will provide an interface with the

Headquarters main frame national guarantee database. The guarantee database provides current status for all blanket guarantees and is on line at all times via VSAT. In addition, landlines are available at some locations to provide communication backup for the guarantee database if VSAT should fail or lose power. The guarantee database was recently programmed in Oracle and is compatible with ASYCUDA. The guarantee process works well and rapid responses are obtained from the Amman central server.

The Manifest Program (stand-alone declaration program) is an in-house computer program developed to capture the data elements required on paper declarations. The information taken from the written declaration is input by Customs officers at the various offices, as the declaration documents move through the clearance process. The Manifest Program is not used in Customs Centers that currently use ASYCUDA. In addition, the program will be abandoned as the ASYCUDA Transit Software Module is activated in Customs Centers.

### **3.0 REVIEW OF FIELD LOCATIONS**

#### **3.1 Queen Alia Airport**

A review of the ASYCUDA automated declaration system was conducted at the cargo facility at Queen Alia Airport. The system operates with broker/clearing agent data input that is interfaced with Customs ASYCUDA at the airport. The clearing agents are located in the Customs building and the delivery of the computer generated declaration, along with the other documents, are expeditiously handled by clearing agents hand delivering the documents, to the various stations within Customs. ASYCUDA runs a rules/criteria check against each transaction and establishes a risk factor of Green (no examination) Yellow (document review) or Red (examination required). Clearing agents are notified via computer of the outcome of the processing. If the process shows a green lane, the agent is to pay his duties, and once payment is made, a release notice to pick up the cargo is issued. We reviewed release times for several declarations, and it appears, from our limited study, the clearance process was moving rapidly with some yellow designated shipments being released within three hours, while green shipments were released even faster.

The ASYCUDA system captures all data elements, concerning all shipments, either local clearance, or transit movements. Details such as release time, truck identification number, quantity, cargo description, seal number, destination port code and transit guarantees are captured and recorded on the declaration, and in the database. Although ASYCUDA does not have the Transit Module installed today, all of the data that is needed to establish the module is available from the system, and can now be obtained in a report.

#### **3.2 Jaber Customs Center**

Jaber is the main truck port with Syria and processes a high volume of transit traffic averaging between 300 to 500 trucks per day. The heavy volume of transit trucks during the peak period is attributed to agricultural products moving in transit. A large contingent of brokers process declarations at Jaber, (150 companies, employing more than 600 licensed brokers.) During a 24 hour period 4 convoys of trucks leave the border, destined to various exit points, or the free zones.

The clearance process at Jaber, utilizes a combination of manual and standalone computer data-bases. The National Guarantee computer database is interfaced with Amman and used to obtain current balance for each guarantee that is used for a transit movement. However, the overall clearance process is cumbersome, slow, and requires a minimum of seven stops, not including the final stop in the departure compound, before a trucks is ready for police convoy.

The new automated National Guarantee computer system has been on line at several ports in Jordan for nine months, but just recently activated in Jaber. The system, when activated at all ports (expected to be completed during 2001), will provide an interface with the Amman national guarantee database. The guarantee data base provides current status for all blanket guarantees and is on line at all times via VSAT. In addition, at Jaber, landlines are also available to provide communication backup for the guarantees database, if VSAT should be down for any reason. The guarantee database was recently programmed in Oracle and is compatible with ASYCUDA. The guarantee process works well and is one element of the clearance process that works efficiently.

The clearance process starts at the entrance to the cargo facility. When a truck enters the gate a Customs Officer completes a serially numbered control card that is taken from a book of sequential numbered cards issued to individual officers. The officer physically examines the truck, for enforcement purposes, looking for irregularities concerning the vehicle and load. He then enters limited information concerning the cargo, or empty truck, and driver on the control card. This process provides management an excellent internal control check, concerning officer integrity, at the initial entry point.

The second portion of the transit clearance process begins when the broker prepares the declaration and presents it along with the control card at the first Customs window. At this point, a Customs officer inputs the control card information into the stand-alone manifest FOXPRO database.

The third stage begins when the broker then takes the declaration to the second window where all of the cargo information is entered into the FOXPRO manifest database. The following data elements are entered into the Customs manifest database:

- Country of origin of goods
- Date of import
- Final destination of goods (country code)
- Port code of entry of goods
- Port code of exit of goods
- Consignee name and address
- Exporter name and address
- Broker preparing declaration
- Commodity code
- Quantity
- Weight
- Value
- Declaration number assigned by manifest system

At the fourth stage, the broker takes the declaration, and supporting documents to a valuation unit located at the examination dock. A customs officer reviews the classification and declared value, and calculates the amount of customs processing fees and taxes for the transit shipment (transit shipments are subject to fees and taxes.)

At the fifth stage, the broker takes the declaration to the Guarantee office, which has the newly installed national guarantee system on line via VSAT. The value of the declaration is verified against the blanket guarantee and is debited against the brokers blanket guarantee.

At the last stage, within the Customs building, the broker proceeds to the accounting section to pay the appropriate transit fees. The broker then proceeds to locate the driver and provides him the completed transit declaration. The truck driver moves his vehicle and load to the exit point for a final check by Customs. At the final stage, the truck is moved to the transit compound, to await departure by Police convoy.

### 3.3 Jaber Customs Center Automation Status

Jaber Customs Center presently has 29 computers. One computer is a new Pentium 3 and is used in conjunction with the National Guarantees data base. The rest of the equipment is old, either a 386 or 486 processor. The manifest system developed by Customs is utilized in Jaber, as a stand-alone database to record declaration data. The manifest database was programmed in FoxPro, which unfortunately, is not compatible with either the National Guarantee program or ASYCUDA. This system is used, to collect useful statistical data, which is used by local management for reports. The main problem with this program is the data elements captured, can't be interfaced with the newer software programs that use Oracle. Also the data can't be exchanged between ports for use in a Transit program.

An audit of the new tentative list of hardware/software requirements, prepared by the Director of the ASYCUDA Program, for Jaber Customs Center, appears to be appropriate with seven PC's and two Laser Printers. This is an actual reduction in equipment requirements from the original equipment request.

### **3.4 ZARKA Free Zone**

In conducting a brief review of procedures at the ZARKA Free Zone. We were informed that Transit movements consist of automobile and cargo shipments. Customs processes between 100 to 200 transit vehicles and 70 to 100 cargo shipments each day. The same Foxpro manifest system was utilized to capture the declaration data. ASYCUDA will be installed within the next month and processing will be online with the other automated centers. In addition, the national guarantee program will be activated and manually interfaced with ASYCUDA. Presently two computers are used at ZARKA, but with the installation of ASYCUDA additional computers will be needed. The original equipment request to implement a transit module asked for 12 computers and 4 printers. This has now been modified to require seven PC's and two Laser Printers to implement the ASYCUDA Transit Module.

### **3.5 Al-Omari Customs Center**

Al-Omari is the main truck port with Saudi Arabia and processes a high volume of transit traffic averaging 300 shipments per day. Al-Omari is unique because the location is remote and Customs officers, as well as police and other agency officers live at the facility in government housing. A staff of 118 Customs officers are assigned to two 12-hour shifts. Passenger/vehicular traffic is processed 24 hours a day. Cargo shipments are cleared during the hours of 7 am to 7 pm during the summer months, and from 7 am to 5 pm during the winter months. Due to the remote nature of the port, until recently, all cargo processing was accomplished without the use automation of any type. When we reviewed the facility, VSAT hardware had been installed but the system was not complete and activation was scheduled within a week or two. In addition, the manifest program had been installed on several older computers, and was being used to capture transit information from the declaration documents. A new Pentium III PC was installed and ready to activate the National Guarantee program when VSAT becomes operational.

The processing of Transit shipments at Al-Omari is identical to the procedures at Jaber, with the exception; a local blanket guarantee is filed at the port. The guarantee is closed upon receipt of the export verification from the neighboring country. The documentation or verification of export is transported back to Al-Omri by the broker/clearing agent courier. The local guarantee system will be terminated with completion of the VSAT link.

The clearance process is slower at Al-Omari, due to the fact that, there is only one convoy during a 24-hour period. It is conceivable that a shipment that has a paperwork problem, requires examination, or is cleared immediately following the departure of a convoy, would wait 24 hours for the next convoy.

During the assessment of Al-Omari, we had the opportunity to meet with Assistant Port Director, Abdalla Izz Habekkh, who had been previously assigned to the Head of Transit position in Amman. In our discussion with him, he felt that some procedures should be developed to expedite some transit shipments, and during his previous assignment he had worked with various committees and groups to explore the possibilities for expediting transit cargo shipments through Jordan. Some of the solutions that had been reviewed during his previous assignment included, using the Private Sector to escort convoys, establishing procedures for some form of Red Green system, and exploring high tech options for transit. The use of bar coding and satellite transponders was reviewed as possible enforcement tools for the transit program.

A review of TIR statistics, published in the June 14, 2000 UN/ECE TIR handbook, revealed that only small numbers of TIR shipments are processed in Jordan. This could possibly be attributed to the fact, TIR movements are handled like other transit shipments, with brokers following the normal deceleration and guarantee process to complete the documents. If this is the case, an important statistic is not being captured, and this type of shipment is not receiving the expedited handling that should be afforded cargo moving under international bond.

The hardware/software tentative list for Al-Omari is identical to that required at Jaber, and our assessment of cargo clearance procedures at the two locations, indicates that the cargo volumes and staffing are similar. Seven PC's and two Laser Printers should be adequate to implement a Transit Module in Al-Omari.

### **3.6 Aqaba Seaport**

The cargo clearance process in Aqaba seaport is accomplished by a cadre of 150 brokerage firms filing more than 400 declarations per day. The actual clearance process utilizes the ASYCUDA automated declaration system. The system operates with broker/clearing agent data input, interfaced with Customs ASYCUDA in the National Customs office. The broker interface link is via EDIFACT using a fiber optic cable or, in some cases, a dial up modem. Most broker/clearing agents are conveniently located outside the Customs building in private offices in the port area. The delivery of the computer-generated declaration along with the other documents is expeditiously handled by clearing agents, hand delivering the documents to the various stations within Customs. ASYCUDA performs a rules/criteria check against each transaction and establishes a risk factor of Green (no examination) Yellow (document review) or Red (examination required). If the process shows a green lane, the agent is to pay his duties, and once payment is made, receives a release notice to pick up his goods without any additional scrutiny of documents or the requirement of an examination. Yellow and red designations require additional processing prior to release.

One of the chief advantages of ASYCUDA, is the fact that it captures all data elements concerning all shipments, either local clearance, or transit movements. Details such as release time, truck identification number, quantity, cargo description, seal number, destination port code, and transit guarantees are captured and recorded on the declaration and in the data base. Although Aqaba does not have the new Transit module, it will be a simple process to activate the module, as all of the data elements needed to generate a transit document will be taken from ASYCUDA.

The Customs computer department, in Aqaba, has developed a stand-alone ocean cargo manifest program. The database receives manifest data from vessel agents via Email. The process requires vessel agents to type manifest bill of lading information in the same format as the official paper manifest. The movement of data is then accomplished by transmitting an attachment to an E-mail message. The vessel agents also, provide Customs with the official paper manifest, as provided by law. Both versions of the manifest are compared and if discrepancies are not found, the computer manifest is accepted and is used to store clearance information. All cargo decelerations (local or transit) are entered into the database, and when all cargo is accounted, the manifest will be closed. We were informed, ASYCUDA has a newly developed vessel cargo manifest module that will be implemented in the future. When this occurs, the local stand-alone vessel manifest computer program will be eliminated. Although, the local manifest program is

functional, the receipt of transmission data, from the vessel agent, is cumbersome and the 100% verification of bill of lading information, is time consuming.

The cargo clearance times in Aqaba seem to be acceptable; we were told most shipments were released within a day.

The volume of ocean cargo that enters the Zone from Aqaba is estimated to range between 5% and 15% of the total vessel cargo. The balance of the ocean cargo, is either cleared in Aqaba, or is moved to neighboring countries under normal transit procedures.

### **3.7 ASEZA (Aqaba Special Economic Zone Authority)**

ASEZA is the newly activated special Economic Free Zone located around the Aqaba seaport and includes the border ports of Dera (Saudi Arabia) and Elat (Israel). In addition, the ferry terminal located in Aqaba provides passenger, auto, and cargo links with Egypt. This link is also under the direction of ASEZA Customs. The administration of the free zone is under a newly created ASEZA Customs Service. National Customs is also co-located within the free zone and is responsible for the clearance of cargo shipments that arrive by commercial vessel. ASEZA Customs is responsible for all cargo that enters or transits the zone from the border ports or ferry terminal and cargo that has been transferred to the zone by deceleration, from the National Customs Service. Both ASEZA and National Customs are on line with ASYCUDA via the broker interface and the movement of cargo into the zone is rapid. The local brokers handle both ASEZA and National Customs transactions.

Transit movement within the zone is controlled by a Permit document. The document is a simplified version of the ASYCUDA transit document. However, movements within the zone do not require a guarantee, and certain data fields are not captured. For example, when a truck arrives from Saudi Arabia at the border station of Dera, a three-copy document is completed and the driver takes a single copy with the truck. When the shipment arrives at the Israeli border port of Elat, the permit is verified and notification is made to the entrance port by fax or telephone. If the shipment is to be entered into ASEZA the permit will terminate in the main Customs office of ASEZA, where a broker will complete a zone declaration. Cargo, that arrives in the zone by permit, is duty free, and may not leave the zone under permit, but must be converted to a normal transit movement, or entered into the commerce of Jordan, through the normal declaration process. The National Guarantee database is on line and is used to secure the duties and taxes for transit shipments. Trucks leaving the zone will move under the normal police escort program.

Two new entry and exit points have been established within the boundaries of ASEZA. Their strategic location on the two main highways is used to control automobile and truck traffic entering and leaving the zone. Officers from the National Customs Service staff the checkpoints, and if the checkpoints are included in the automated Transit Module, an important enforcement link will be established. Seals can be quickly verified and travel time can be captured in the system. These two actions will provide an additional enforcement element to the overall transit strategy.

## **4.0 RECOMMENDATIONS**

During the period of this Assessment, I had the opportunity to review the existing transit program, as it is administered, in three distinct environments (Land border, Seaport, and Airport.) The key element to a Transit Program in Jordan is to establish a single computer database, linking all Customs Centers together interchanging arrival and departure data. In order to accomplish this task, the following recommendations are suggested.

I recommended that AMIR assist Jordanian Customs in their efforts to establish a National Transit Control System, by approving the Customs request for hardware and software for Customs locations within Jordan. The AMIR approval should be spelled out in a written Memorandum of Understanding.

The “ASYCUDA Transit Module” should be selected, as the single official database for the transit program and when the program is activated in each location, the Stand-alone manifest program, should be eliminated.

After testing and implementation, of the ASYCUDA Transit Module, a task force should be established to review transit procedures and develop new guideline that will take full advantage of the automated system. A risk assessment should be conducted and criteria developed to establish low and high-risk shipments. Low risk shipments should receive expedited handling, and high-risk shipments should receive additional scrutiny. Examinations of the highest risk categories should be performed at both the port of arrival and the port of exit.

The use of a script (mini-program that moves the operator past optional fields) should be reviewed for use with the ASYCUDA Transit Module.

The current Transit law should be reviewed and changes drafted to improve the overall transit program.

Procedures should be implemented to expedite TIR trucks, including eliminating the broker guarantees for cargo that is covered under an International guarantee (TIR Carnet.)

## 5.0 AMIR LETTER OF APPROVAL TO PURCHASE COMPUTER EQUIPMENT

AND

### DRAFT MEMORANDUM OF UNDERSTANDING

October 2, 2001

Your Excellency Mr. Mahmoud Qteishat  
Acting Director General  
Customs Department  
P.O. Box 90  
Amman, Jordan

**Subject: Computers for Customs Department ASYCUDA Transit Project**

Your Excellency:

As you may know, the Customs Department requested from the AMIR Program computers and related equipment needed to implement an automated customs transit system (Letter of Director General to Mr. Stephen Wade, dated April 29, 2001; copy attached).

We are prepared to purchase for the Department the necessary equipment. We must begin the procurement process very soon in order to complete this project before the end of the year, when the AMIR Program ends. However, before we begin the purchase process, we would respectfully request your approval to our proposed plan of cooperation. For that reason, I am attaching a draft "Memorandum of Understanding" (MOU) for your review.

This draft MOU describes our plan for the automation. It also defines the responsibilities of the AMIR Program and the Customs Department in implementing this plan. Please note that this MOU is a draft, and the list and specifications of the equipment and software needs must still be decided. Once the equipment/software needs are decided, and we have your approval of the terms of the MOU, we can begin the procurement.

We would appreciate the opportunity to meet with you to explain our plan of cooperation. Our customs transit expert, Mr. David Burrell, has been in Jordan for a month studying Customs transit requirements. He will return to the United States on Monday, July 9. Accordingly, if possible, we would greatly appreciate if we could meet with you as the acting General Director on Sunday or Monday while David is still here.

We look forward to working with the Customs Department on this important project. Please contact me directly if you have any questions.

Sincerely,

Brian J. O'Shea  
AMIR Program/Policy Component Leader

**ANNEX A**

**DEPARTMENT OF CUSTOMS EQUIPMENT REQUEST  
AND  
REVISED EQUIPMENT REQUEST**

**ANNEX B**

**MAP OF CUSTOMS LOCATIONS  
WITHIN THE KINGDOM OF JORDAN**

**ANNEX C**

**REVISED CUSTOMS REGULATION NUMBER 8**

**TRANSIT GOODS**

**ANNEX D**

**JUNE 1998 TRANSIT ASSESSMENT**

**JORDIANIAN CUSTOMS DEPARTMENT**

**ANNEX E**

**AUGUST 1998 TRANSIT ASSESSMENT**

**UNCTAD/ASYCUDA**

## **ANNEX F**

### **TIR PROCEDURES AND STATISTICS**

## **ANNEX G**

### **JORDANIAN TRANSIT STATISTICS**

## **ANNEX H**

### **ASYCUDA TRANSIT MODULE**

**ANNEX I**

**VSAT DESCRIPTIVE MATERIAL**

**AND**

**SITE INFORMATION**

**ANNEX J**

**PHOTOS OF CARGO ACTIVITIES**

**AQABA SEAPORT**

**ANNEX K**

**CUSTOMS MANAGERS  
AND  
PERSONNEL ASSISTING IN THIS ASSESSMENT**

Mr. Mahmoud Wafa	Director ASYCUDA Project
Eng. Aref A. Al Fitiani	Director Communications
Eng Marwan Gharaibeh	Director of Planning
Eng Damen Al-Fawaz	Director of Risk Management
Mr. Abdel wahab Al-Sarayeh	Director Queen Alia Airpot
Mr. Ahmed Al Shuqran	Head of Studies and Research, Planning Directorate
Ms. Samaya Al-Wahoush	Director, IT Directorate
Mr. Yahya Al Dabbagh	Asst. Director Customs Modernization Project
Mr. Moh'd Alawneh	Asst. Director, Cargo- Jaber Port
Mr. Addalla Izz Habokh	Asst. Director Al-Omri Port
Mr. Ghaleb Gassem	Director, National Customs, Aqaba
Mr. Mahmoud Al-Mubaidien	Director, IT Department, Aqaba
Mr. Ahmad Al Fauori	Director, ASEZA Customs
Mr. Majdi Al Azzeh	Manager, ASEZA Cargo Terminal
Mr. Hussein Gassem	Customs IT Department ASEZA
Mr. Ahmad Al-Fauori	Director, ASEZA Economic Zone